



# WASHOE COUNTY

"Dedicated To Excellence in Public Service"  
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CM/ACM \_\_\_\_\_  
Budget \_\_\_\_\_  
DA n/a \_\_\_\_\_  
Comptroller n/a \_\_\_\_\_  
HR n/a \_\_\_\_\_  
Other n/a \_\_\_\_\_

## STAFF REPORT BOARD MEETING DATE: January 26, 2016

**DATE:** January 6, 2016  
**TO:** Board of County Commissioners  
**FROM:** Cathy Hill, Comptroller  
328-2563, chill@washoecounty.us  
**THROUGH:** Joey Orduna Hastings, Assistant County Manager  
328-2000, jhastings@washoecounty.us  
**SUBJECT:** Acknowledge Receipt of the Interim Financial Report for Washoe County Governmental Funds for the six months Ended December 31, 2015 - Unaudited (All Commission Districts)

### SUMMARY

The attached report is submitted to provide information regarding the County's financial operations by reviewing activity for governmental funds, excluding component units, for the six months ended December 31, 2015. Financial activity for the General Fund is also provided.

**Strategic Objective supported by this item:** Stewardship of our community

### PREVIOUS ACTION

Unaudited interim financial reports are provided to the Board quarterly, in addition to the audited comprehensive annual financial report for the fiscal year ending June 30.

### BACKGROUND

Governmental Funds include the General Fund, which is the County's primary operating fund and accounts for resources and operations that are not required to be accounted for in other funds due to restrictions on funding sources or activities imposed by legal, policy or reporting conventions, fourteen special revenue funds, two debt service funds and four capital projects funds. Significant variances between the years are discussed, as are budget to actual variances.

### FISCAL IMPACT

There is no fiscal impact in acknowledging receipt of the report of the County's current financial position.

### RECOMMENDATION

It is recommended that the Board of County Commissioners acknowledge receipt of the Interim Financial Report for Washoe County Governmental Funds for the six months ended December 31, 2015 - Unaudited.

### POSSIBLE MOTION

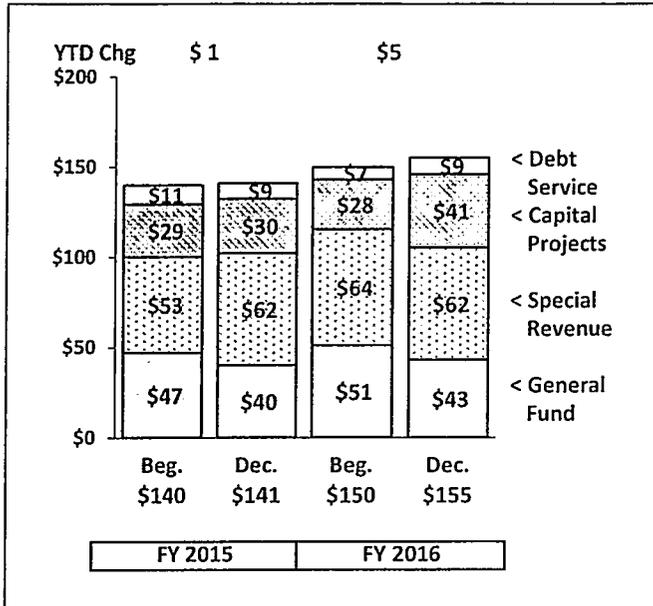
Should the Board agree with staff's recommendation, a possible motion would be to "move to acknowledge receipt of the Interim Financial Report for Washoe County Governmental Funds for the six months Ended December 31, 2015 – Unaudited."

# Washoe County Governmental Funds – Fiscal Year 2015/2016

Interim Financial Report for the Six Months Ended December 31, 2015 - Unaudited

All \$ in millions unless otherwise noted.

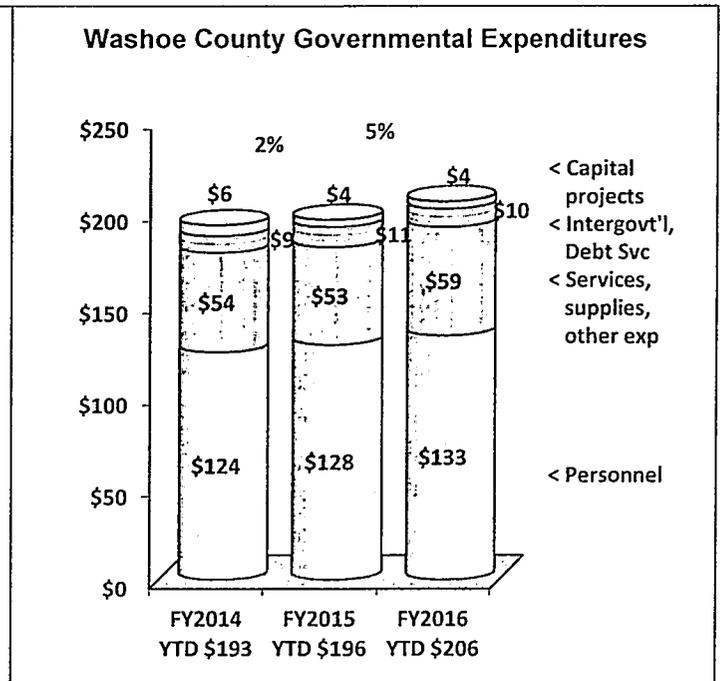
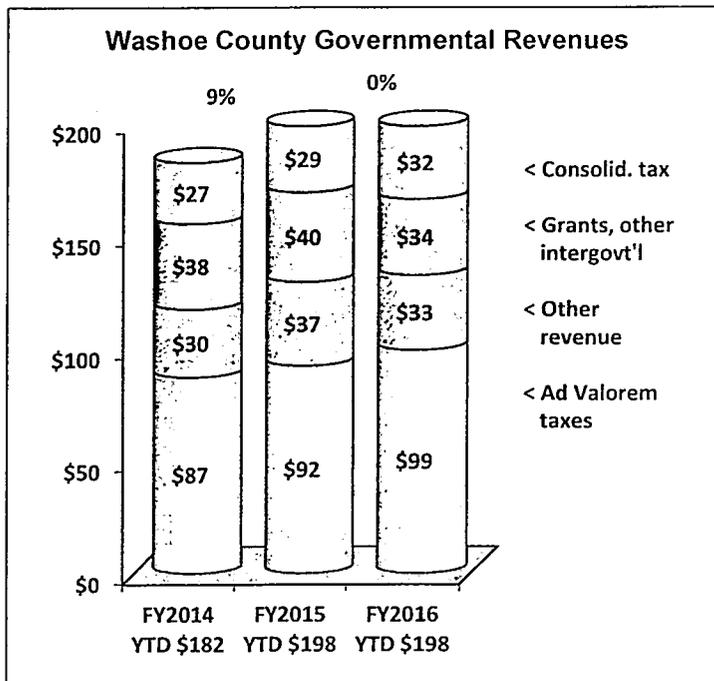
## GOVERNMENTAL FUND BALANCE



- Total Governmental Fund Balances increased \$5 million year-to-date and \$14 million year over year.
- Fund balances for Capital Project funds increased from the prior year by \$13 million primarily due to proceeds from debt issuance for the medical examiners building project.
- Fund balances in the General Fund decreased \$8 million over prior year due primarily to increases in personnel, services, supplies and capital.
- Fund balances for Special Revenue Funds decreased \$2 million year-to-date due to decreased intergovernmental revenue for grant billing timing and increased capital expenditures for road improvements.

## REVENUES AND EXPENDITURES

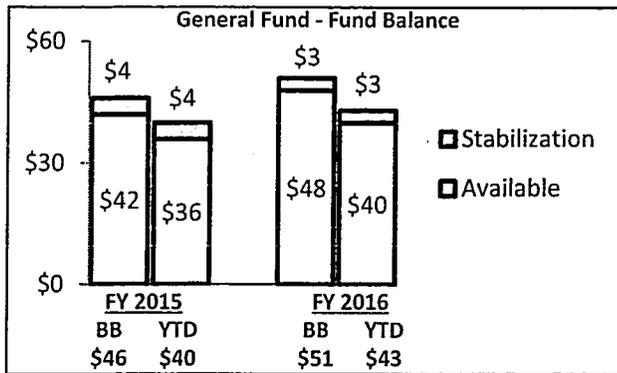
- Total Governmental Revenues are level over prior year, with increases in Ad valorem and Consolidated taxes. Ad valorem taxes are 8% over prior year after the second distribution of real property taxes. Consolidated taxes have been received for the month of December and are up 10% over prior year. Federal and State grant revenue has decreased \$6 million from prior year due to timing of grant billings.
- Total Governmental Expenditures increased 5% or \$10 million over prior year. Personnel costs increased \$5 million or 4% over prior year due to increases in salaries and retirement benefits expense. Services, supplies and other expenses increased \$6 million due to increases in professional services, software maintenance, placement costs for youth camps and child protective services, and operating transfers to the Health Division and Child Protective Services.



# Washoe County Other Governmental Funds – Fiscal Year 2015/2016

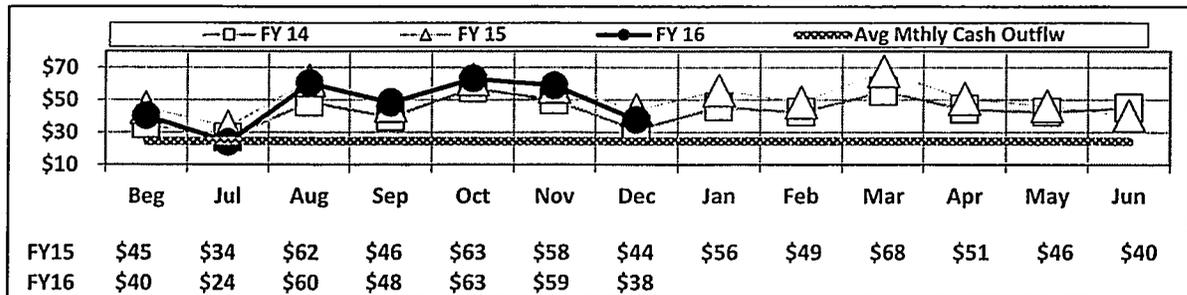
Interim Financial Report for the Six Months Ended December 31, 2015 - Unaudited

All \$ in Millions unless otherwise noted.



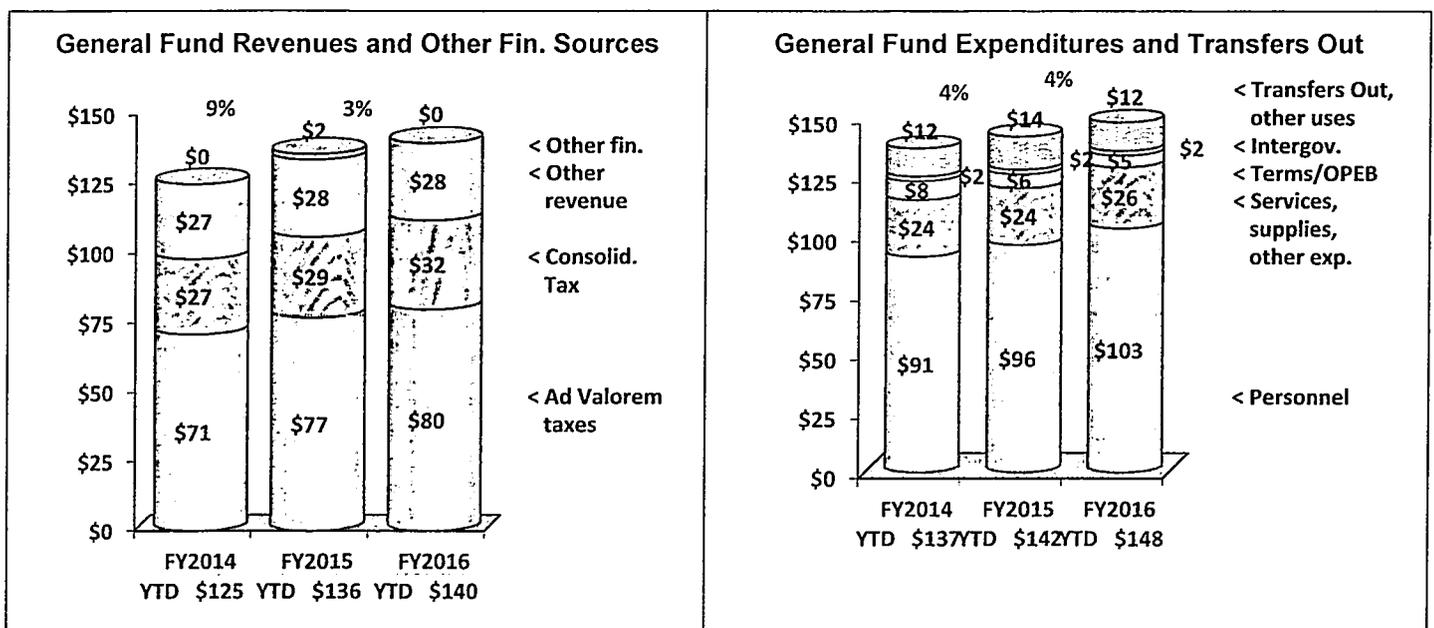
- General Fund fund balance decreased \$8 million year-to-date. The General Fund includes a \$3 million balance for stabilization which is not available for general operations. The Board of County Commissioners, on April 28, 2015 reduced the amount of stabilization funds to a fixed \$3 million from the previous policy of 1.5% of expenditures and other uses.
- The available portion of cash balance (below) is \$6 million lower than prior year. The available cash portion of fund balance excludes cash held for stabilization and funds held as deposits in the Courts and other departments.
- The cash balance continues to be monitored during low points in July and August before the first distribution of property tax is received at the end of August.

## Trend of Available Cash



## REVENUES, EXPENDITURES, AND OTHER FINANCING

- Revenues and other financing sources are up 3% over prior year. Ad valorem taxes increased by 4% after the second real property tax distribution. Consolidated taxes increased 10%. Expenditures plus transfers out have increased \$6 million over prior year led by higher personnel costs for salaries and retirement benefits.

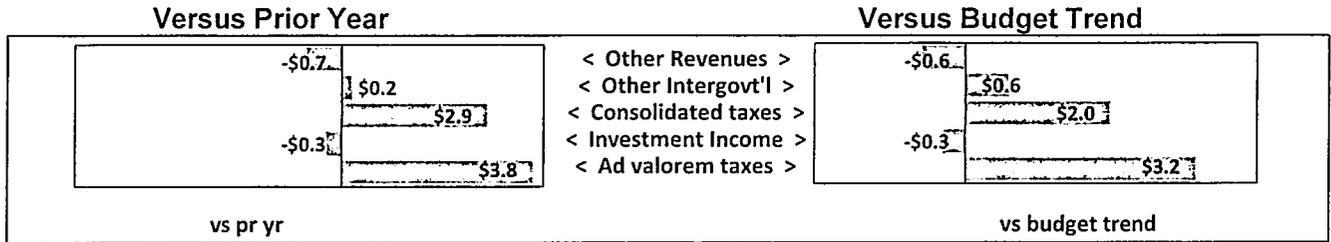


# Washoe County Other Governmental Funds – Fiscal Year 2015/2016

Interim Financial Report for the Six Months Ended December 31, 2015 - Unaudited

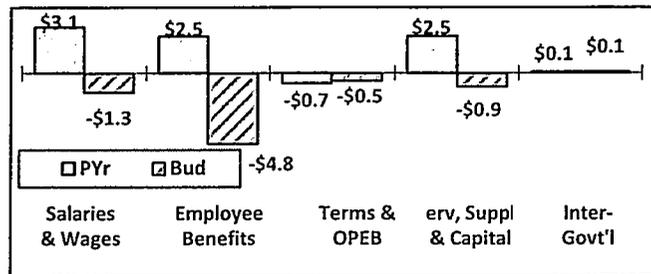
All \$ in Millions unless otherwise noted.

## KEY CHANGES IN REVENUES



- Consolidated taxes have been received for the month of December and are 10% ahead of prior year.
- Ad valorem taxes are 4% over prior year.

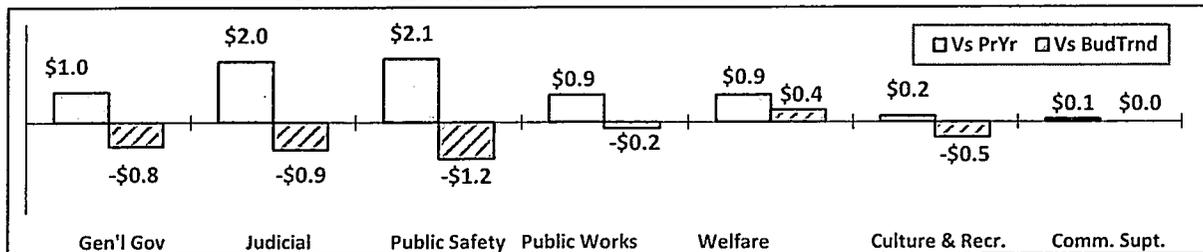
## CHANGES IN EXPENDITURES BY CATEGORY VERSUS PRIOR YEAR AND BUDGET TREND



Note: To provide better operating comparisons, the analysis separates voluntary separation incentives and OPEB contributions from other personnel costs.

- Personnel costs are above prior year due to cost of living adjustments and increased retirement benefit costs.
- Services, supplies and capital outlay costs are above prior year due to increased software maintenance costs, placement costs for youth camps, and expendable equipment purchases for Technology Services infrastructure and the Sheriff's office.

## CHANGES IN EXPENDITURES BY FUNCTION



- Expenditures increased from prior year for most functions. The increases are primarily due to higher personnel costs.

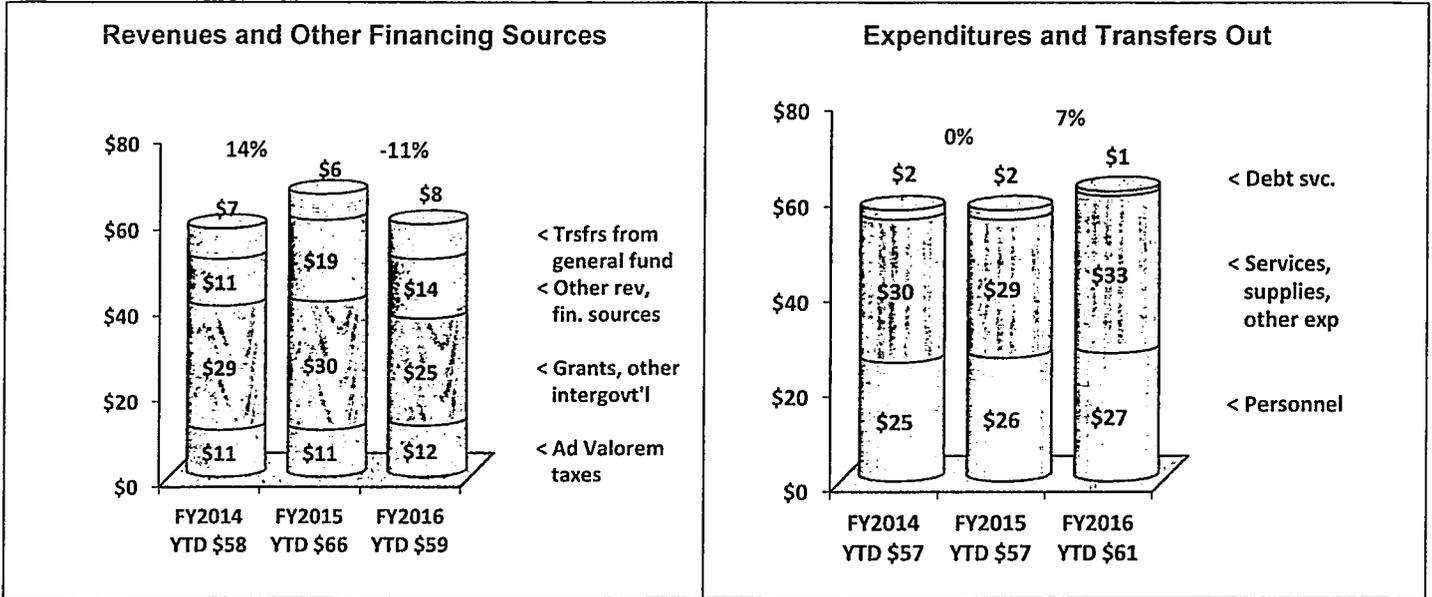
# Washoe County Other Governmental Funds – Fiscal Year 2015/2016

Interim Financial Report for the Six Months Ended December 31, 2015 - Unaudited

All \$ in Millions unless otherwise noted.

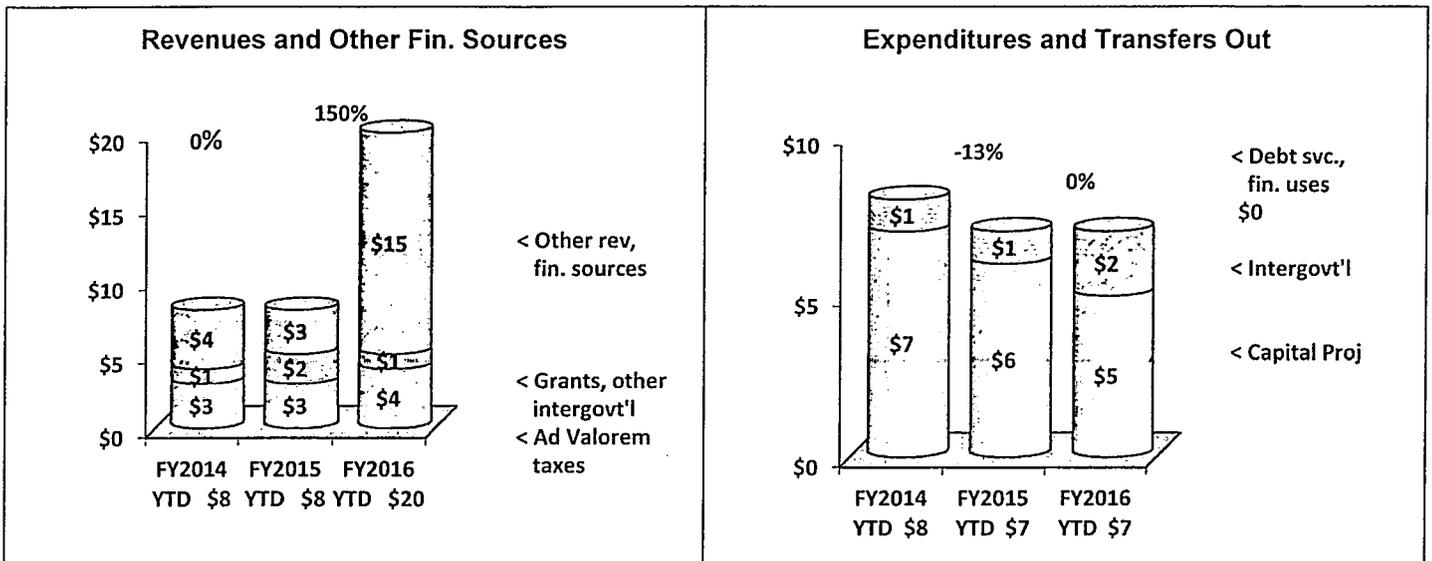
## SPECIAL REVENUE FUNDS

- Revenues and other financing sources are 11% lower than in prior year, primarily due to timing of grant billings and a one-time \$6 million State settlement for roads that was received in the prior year.
- Expenditures plus transfers out increased 7% over prior year due to capital expenditures in the Roads Fund for road improvements.



## CAPITAL PROJECTS FUNDS

- Revenues and other financing sources have increased 150% from prior year due to proceeds from debt issued for the Medical Examiners building project.
- Expenditures plus transfers have remained level.



## BUSINESS TYPE FUNDS

# Washoe County Other Governmental Funds – Fiscal Year 2015/2016

Interim Financial Report for the Six Months Ended December 31, 2015 - Unaudited

*All \$ in Millions unless otherwise noted.*

Note: To provide better comparative figures, Water Operations for the Utilities Fund was excluded from the analysis.

Operating revenue is unfavorable over prior year for the Golf Course Fund. The Golf Course Fund operating revenue decrease is due to accrued revenue not yet received from the professional management services contractor. Operating expense increase for Utilities is due to increases in personnel costs and services and supplies.

\$ in thousands					
	Budget	YTD	Pr. Year YTD	YTD versus	
				Budget	Pr. Year
<b>Utilities</b>					
Operating Revenue	\$ 14,120,775	\$ 7,118,285	\$ 6,626,566	50%	7%
Operating Expense	(16,817,692)	(5,882,840)	(4,619,874)	35%	27%
Operating Income/(Loss)	(2,696,917)	1,235,445	2,006,692	46%	-38%
Capital Contributions	3,695,000	2,479,673	1,113,804	67%	123%
Nonoperating/Other	346,461	158,328	(378,542)	46%	-58%
Change in Net Assets	\$ 1,344,544	\$ 3,873,446	\$ 2,741,954	288%	41%
<b>Golf Course</b>					
Operating Revenue	\$ 1,025,240	\$ (56,929)	\$ 562,794	6%	-90%
Operating Expense	(1,065,967)	(533,008)	(583,412)	50%	-9%
Operating Income/(Loss)	(40,727)	(589,937)	(20,618)	1449%	2761%
Nonoperating/Other	11,500	2,305	4,255	20%	0%
Change in Net Assets	\$ (29,227)	\$ (587,632)	\$ (16,363)	2011%	3491%
<b>Building &amp; Safety</b>					
Operating Revenue	\$ 2,800,000	\$ 1,553,844	\$ 1,376,858	55%	13%
Operating Expense	(2,478,695)	(1,132,160)	(1,029,768)	46%	10%
Operating Income/(Loss)	321,305	421,684	347,090	131%	21%
Nonoperating/Other	7,000	4,830	(27,601)	69%	-83%
Change in Net Assets	\$ 328,305	\$ 426,514	\$ 319,489	130%	33%